HYBRID PLAN

Pension + Investments

HYBRID PLAN HANDBOOK

pennsylvania

STATE EMPLOYEES' RETIREMENT SYSTEM

Pension Plan Specialists are Here to Help

1.800.633.5461 - www.SERS.pa.gov

SERS' mission is to provide retirement benefits and services to our members through sound administration and prudent investments.

SERS' Board

Gregory C. Thall, Board Chairman, Former State Budget Secretary

Donald Enders Jr., Senior Advisor, Enders Insurance Associates

W. Russell Faber, Former Chief Clerk of the Pennsylvania Senate

Dan B. Frankel, PA State Representative

John Galuska, AFSCME District Council 13

Stacy Garrity, Pennsylvania Treasurer

Vincent J. Hughes, PA State Senator

Brett R. Miller, PA State Representative

Uri Monson, Secretary of the Budget

The Honorable Devlin J. Robinson, SERS Member

Wendy S. Spicher, Secretary of Banking and Securities

SERS is not responsible for any inaccurate or incomplete information provided to you by your employer or other entity about the SERS benefit. Accordingly, it is very important that you read all SERS-provided information. If you have questions about SERS benefits or inconsistencies between information provided by SERS and another entity, please contact SERS.

CONFIDENTIALITY OF SERS MEMBER INFORMATION

All SERS retirement counseling matters are confidential, including your personalized retirement estimates.

Certain information about you and your SERS retirement benefit are subject to release pursuant to a subpoena or a Right-To-Know Law request. That information includes, among other things, your SERS-participating employer, years of service, and retirement-covered compensation. As a result of a Pennsylvania Supreme Court Order, all home addresses generally are considered to be private information. If you are a judge or law enforcement officer, your home address is specifically exempted from release under the Right-To-Know Law. If you have any documented personal security issues or Protection from Abuse (PFA) orders, you should send a copy of your written statement or court order detailing the specific threat to your personal security to the State Employees' Retirement System, 30 North 3rd Street, Suite 150, Harrisburg PA 17101-1716 Attn: SERS-Office of Member Services or e-mail it to ra-sersretc@pa.gov**.**

We may provide certain information from your SERS record to a SERS-participating employer upon the employer's request to be used for business purposes.

If You Want Us to Release Information to a Third Party

If you choose, you may authorize us to release certain information from your SERS record to a third party. Your authorization must be in writing, dated, and signed by you. You can access an Authorization to Release Account Information form or Authorization to Release Death Beneficiary Information form on SERS' website at www.SERS.pa.gov, or request the forms by calling 1.800.633.5461.

Beneficiary Information

Absent a properly completed authorization form, information about your designated beneficiary will be released to no one but you, except as required by subpoena or other court order before a payment is issued to that beneficiary. However, death beneficiary information will be released pursuant to a subpoena.

TABLE OF CONTENTS

How your SERS Hybrid Plan works:

About SERS 01

Selecting Your Investments 02

Membership 02

Class of Service 03

Contributions 04

Service Credit, Eligibility Points & Vesting Your Pension 06

Eligibility Points & Vesting Your Investment Account 07

Multiple Service 08

Purchasing Service 09

Transferring Into And Out Of Law Enforcement And Security Positions 10

Retirement Benefit Forfeiture 11

Appeals & Hearings 11

Basic Pension Calculation 12

Pension Payment Options 13

Eligibility for a SERS Disability Retirement Benefit 16

Domestic Relations & Support Orders 17

Leaving State Employment 19

Death Benefit - Pension Portion 21

Taxes 23

Return to Service 25

It's Never too Early to Prepare for Retirement:

Retirement Planning 29

Regional Counseling Centers 33

Deferred Compensation Plan 36

ABOUT SERS

Established in 1923, SERS is one of the nation's oldest and largest statewide retirement plans for public employees. Acting on behalf of the State Employees' Retirement Board, SERS administers four retirement plans - a defined benefit pension plan, a defined contribution investment plan, a Hybrid Plan that is a combination of the pension and investment plans, and a voluntary supplemental Deferred Compensation Plan.

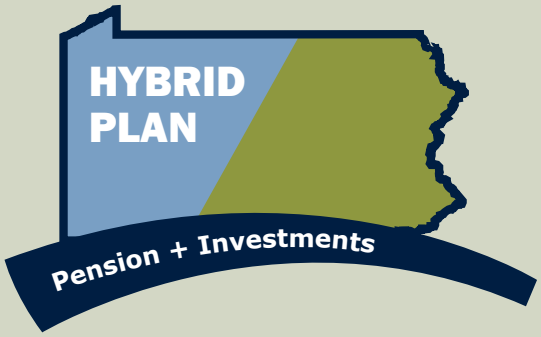
The pension, investment, and hybrid plans are administered according to the State Employees' Retirement Code.

The pension benefits are funded through a combination of member and employer contributions, and investment earnings from the professionally managed SERS Fund. Administration of the SERS Fund and the fiduciary responsibility for its management is vested in an 11-member board.

The investment plan benefits are funded through a combination of member and employer contributions, and the investment earnings from your personal investment choices.

Day-to-day management of SERS is the responsibility of the executive director who, with the approval of the board, employs needed staff, and contracts for professional services. The SERS board contracted with Empower as the third-party administrator of the Defined Contribution Plan.

The supplemental Deferred Compensation Plan is funded by a participant's voluntary contributions and the investment earnings from their personal investment choices. See Deferred Compensation Plan later in this document for additional information.



HOW YOUR SERS HYBRID PLAN WORKS:

MEMBERSHIP

Welcome to the State Employees' Retirement System. As part of your public employment, you receive a retirement benefit. While you may not be thinking about it right now, there are some things you should consider for your future. This handbook outlines your retirement benefit and your responsibilities.

As a member of the SERS Hybrid Plan, a portion of your retirement benefit will come from the SERS Defined Benefit (pension) Plan and a portion will come from the SERS Defined Contribution (investment) Plan.

With a few exceptions specified in the State Employees' Retirement Code, if you are a permanent full-time or permanent part-time state employee or an employee of certain independent agencies, you are a mandatory SERS member. Your employer automatically enrolled you in SERS when you were hired, began withholding employee contributions, and started paying employer contributions toward your SERS retirement benefit.

If you are a part-time employee paid by the hour or the day, you are required to join SERS after earning compensation for 750 hours or 100 days in a calendar year.

Retirement is not necessarily a "set it and forget it" exercise, but it doesn't have to be complicated. The choices you make now are important and will benefit you in the future. Please take the time to review this material. We have plenty of resources available to you to help you along the way. Whether in-person, by phone, or online, SERS is available to answer all of your SERS retirement-benefit questions.

HYBRID PLAN CLASSES OF SERVICE

Your SERS class of service is one of the main factors in your pension calculation and therefore is one of the most important pieces of information to know about your pension plan. It is set by the Retirement Code and determines how quickly your pension grows, how much you and your employer contribute toward your pension and investment plan account, the age at which you can retire without penalty, how long you must work before becoming eligible for monthly pension payments, among other things.

Your class of service is determined largely by when you became a SERS member.

You entered SERS membership in the hybrid A-5 class of service, with a 45-day window to switch to the hybrid A-6 class or the straight defined contribution plan.

HYBRID PLAN CLASSES OF SERVICE

	A-5 Class of Service	A-6 Class of Service
Your retirement benefit is based on ...	A mix of guaranteed monthly payments for the pension portion, and your investment choices and the investment markets for the investment portion	
Your Contribution (Percent of pay)	8.25%* (split) 5.00%* - pension 3.25% - investment	7.50%* (split) 4.00%* - pension 3.5% - investment
Annual Benefit Accrual Rate (How your pension grows)	1.25% of pay for each year worked	1% of pay for each year worked
Employer Contribution	Calculated annually - pension 2.25% - investment	Calculated annually - pension 2% - investment
Vesting Period (When you qualify for a benefit)	10 years - pension 3 years - investment	
Final Average Salary	Highest 5 calendar years	
SERS Retirement Age (When you can retire without an early retirement reduction)	Age 67 with 3 years of service or Rule of 97 with 35 eligibility points	
Early Retirement Milestone	Age 57 with 25 years of service	Age 62 with 25 years of service
Early Retirement Reduction	**If milestone reached:** 3% reduction for each year under age 67 Or **Age 62 with 10 years of service:** Actuarial reduction for each year under age 67 Or **10 years of service but not yet age 62:** Standard actuarial reduction from age 62-67 plus special 7.375% actuarial reduction for each year under age 62	
Can I withdraw my contributions at retirement?	Yes, with reduced monthly payments	
Can you purchase prior state or military service?	Yes, toward the pension portion of your benefit	

*According to the shared-risk/shared-gain provisions in the Retirement Code, this member contribution rate may increase or decrease based on the investment performance of the SERS Fund. The rate for class A-5 members will never increase above 8% or drop below 2%. The rate for class A-6 members will never increase above 7% or drop below 1%.

CONTRIBUTIONS – PENSION PORTION

Your Contributions

You contribute a percentage of your pay toward your SERS pension benefit each pay period. Your employer automatically deducts your contribution from your pay and forwards it to us. The amount you contribute to the pension portion of your benefit is set by the State Employees' Retirement Code and is determined by your class of service:

- If you are a class A-5 member, you contribute 5%* of your gross pay
- If you are a class A-6 member, you contribute 4%* of your gross pay

Your contribution rate may change depending on the performance of the SERS fund over time according to the "shared-risk/shared-gain" provision in the Retirement Code. Your rate may change by 0.75% every three years and by no more than 3% overall.

Your contributions toward the pension portion of your benefit earn 4% statutory interest compounded annually.

You will receive an annual statement each March listing your contributions toward your pension and the interest earned on those contributions in the prior calendar year and over your entire membership with SERS.

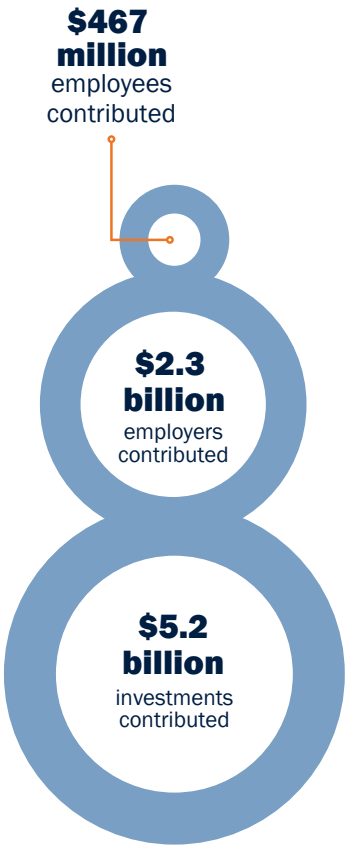
Please review your statements for accuracy and file them with your other important records. Your statements are helpful tools in planning for retirement and may be useful in calculating your federal income tax liability when you retire or leave state service.

Your contributions toward your pension benefit, excluding those made for the purchase of service, are tax-deferred and reduce your federally taxed earnings each year. They will be subject to federal taxation when you receive them in the form of pension payments.

Can I take a loan from my SERS retirement plans?

No. You may receive money from your SERS retirement plan only after leaving state employment.

2025 Contributions to the SERS Fund



*According to the shared-risk/shared-gain provisions in the Retirement Code, this member contribution rate may increase or decrease based on the investment performance of the SERS Fund. The rate for class A-5 members will never increase above 8% or drop below 2%. The rate for class A-6 members will never increase above 7% or drop below 1%.

CONTRIBUTIONS – INVESTMENT PORTION

In the SERS Defined Contribution Plan, the amount you and your employer contribute to your investment account is set by the Retirement Code and is based on your class of service. Empower, the third-party administrator of your Defined Contribution Plan will send you quarterly statements listing your and your employer's contributions to your investment account.

If I leave state service, can I continue to contribute to my SERS retirement plans on an individual basis?

No, all contributions must be made through a SERS-participating employer.

Your Contributions

Your employer automatically deducts your contribution from your pay and forwards it to your investment account with Empower each pay period:

- If you are a class A-5 member, you contribute 3.25% of your gross pay
- If you are a class A-6 member, you contribute 3.5% of your gross pay

Your contributions, excluding those you contribute voluntarily to the plan, are tax-deferred and reduce your federally taxed earnings each year. Those contributions will be taxed when you take a distribution from your defined contribution account.

Your Employer's Contributions

Your employer also automatically contributes an amount equal to a percent of your pay toward your investment account each pay period:

- If you are a class A-5 member, your employer contributes an amount equal to 2.25% of your gross pay
- If you are a class A-6 member, your employer contributes an amount equal to 2% of your gross pay

What happens to my contributions if I leave state employment?

You can request a distribution through Empower or you can keep your money in your defined contribution account until you are required to take distributions according to the IRS' minimum distribution rules.

SERVICE CREDIT, ELIGIBILITY POINTS & VESTING YOUR PENSION

Your years of credited service are a major component in the calculation that determines ***the amount*** of your pension. Eligibility points determine ***when you qualify*** for monthly pension payments or are "vested" in the pension system.

When you work for a SERS-participating employer and we receive employee and employer contributions toward your pension for the time worked, we credit your member record with the service.

In general, most SERS members are credited with one year of service and one eligibility point for every 1,650 hours worked in a calendar year. If you work more than 1,650 hours in a calendar year, you earn just one year of service credit and one eligibility point. If you work less than 1,650 hours in a calendar year, you are credited with a fraction of a year's credit and a fraction of an eligibility point based on the hours you worked.

While in most cases your total service credit and eligibility points will match, there are limited instances when they will not. For instance, if you take USERRA military leave, you will earn eligibility points for that leave time; however, you will not earn service credit unless you purchase the service after you return from leave.

Work Completed on a Term Basis

If you are employed on a term basis, for instance as a member of the legislature, or as a judge, magisterial district judge, department head, or faculty member, your service is credited based on your term in office or the term of your employment.

Work Completed Before 1976

If you worked prior to January 1, 1976, special rules regarding your service credit may apply. Contact a SERS Pension Specialist to discuss your specific circumstances.

Vesting Eligibilty for Monthly Pension Payments

Generally, as a member of the hybrid retirement plan, you are eligible for monthly pension payments, or "vested" in the pension system, after earning 10 eligibility points (in most cases, after working 10 years) or at age 67 after earning three eligibility points.

If you retire before reaching the SERS retirement age for your class of service – age 67 or after working 35 years when the sum of your years of service and age equals at least 97 – your pension will be reduced for early retirement. The early retirement reduction varies by class and generally increases for each year you are away from age 67. The earlier you retire, the greater the reduction.

ELIGIBILITY POINTS & VESTING YOUR INVESTMENT ACCOUNT

Vesting in a defined contribution plan refers to when you qualify to receive portions of your investment account. Vesting is determined by the eligibility points you have earned for the time you have worked for a SERS-participating employer.

While your contributions (including rollovers from previous employers) are immediately vested; the employer contributions made toward your benefit are vested after earning three eligibility points. In other words, if you leave state employment before you work three years (earn three eligibility points), you have a right to your contributions; however, you would have no right to the money your employer contributed toward your account.

In general, you are credited with one eligibility point for every 1,650 hours worked in a calendar year. If you work more than 1,650 hours in a calendar year, you earn just one eligibility point. If you work less than 1,650 hours in a calendar year, you are credited with a fraction of an eligibility point based on the hours you worked.

REGISTER YOUR INVESTMENT ACCOUNT

You were automatically enrolled in the default investment option, which is the target date fund for your expected retirement date based on the year you were born. If you haven't already, please register your online Defined Contribution Plan account at sers.empower-retirement.com. Then you can name your beneficiaries for that portion of your retirement benefit and select different investments, if you choose to do so. You can review your investment options by visiting www.SERS.pa.gov, and clicking on the Defined Contribution Plan graphic.

MULTIPLE SERVICE

If you have previously worked for a public education employer in Pennsylvania or have credited service with the Public School Employees' Retirement System (PSERS), you may be able to combine your school and state service toward one pension when you retire. This is called "multiple service."

Your decision to elect multiple service is voluntary. To elect multiple service, you must be actively contributing toward a SERS pension and you must elect within the established timeframes.

It's possible that one combined pension calculated on your total service credit from both systems will be larger than the payments you would have received from each system individually. When you elect multiple service, your pension is paid by the retirement system in which you were last an active member.

Have you ever worked for a PA public school?

Intermediate unit

Community college

School associated with the State System of Higher Education

Penn State

You must elect multiple service within 365 days of joining SERS. If you do not elect within the first year, you will lose your opportunity to do so unless you leave state service for two weeks or more and later return. In that case, you would have 365 days from the date you re-join SERS to make the election. The election of multiple service may include the purchasing of past service that is required to complete the election.

If you ever worked in a Pennsylvania public school system or for another public education employer in Pennsylvania – such as an intermediate unit, a community college, a school associated with the State System of Higher Education, or Penn State, for example – you may already be a member of PSERS. Your work could be in any capacity: teacher, counselor, aide, administrator, physical plant manager, bus driver, cafeteria worker, or other positions. However, you still must elect multiple service within the established timeframes.

If you worked for any of these types of organizations but did not belong to PSERS, you still may be able to purchase the service and elect multiple service.

If you have questions concerning multiple service such as eligibility, the effect it may have on your total pension, or any other questions, please contact your SERS pension specialist at 1.800.633.5461.

PURCHASING SERVICE TOWARD YOUR PENSION

One factor in the pension calculation is "years of credited service." The more years of credited service you have, the greater your maximum annual pension will be when you retire.

There are specific situations in which the Retirement Code allows you to purchase service and increase the amount of service credited toward your pension. You can only purchase service while you are an active, contributing member of the SERS pension plan; you cannot purchase service after you leave state employment, while you are on a leave without pay, or if you are enrolled in the straight defined contribution plan.

When you purchase service, you pay the contributions that you would have made toward your SERS pension. If you are interested in purchasing service, call your SERS Pension Specialist at 1.800.633.5461. Information here provides only a broad overview. There are a number of specific situations – such as purchasing USERRA-covered military service, for example – that require special consideration, and **in every instance, the cost of any purchase must be determined by SERS.**

Payment Options

Purchasing service can involve significant sums of money. You have several options for making payments.

- Lump sum
- Partial lump sum with payroll deductions
- Payroll deductions up to six years
- Debt to your total pension benefit

Final and Binding Decision

After you submit your service purchase form, we will send you an *Invoice of Amount Due*. You have 30 days from the date of the invoice to select a payment option, to notify SERS that you no longer wish to purchase the service. If no response is received, the service is credited to your account and a debt is automaticaly applied to your pension.

Types of Purchasable Service

U.S. Military service

Out-of-state educational service

Previous state service not currently credited in SERS (like part-time service or optional service)

In state educational service (community college or public university service)

SERS average active member

SERS average retired member

TRANSFERRING INTO AND OUT OF LAW ENFORCEMENT AND SECURITY POSITIONS

Certain law enforcement and security positions are exempt from the defined contribution and hybrid retirement plans.

As a result, if you change jobs and move into one of the law enforcement or security positions listed here, you will automatically switch to the Defined Benefit Plan, and all of your contributions and those of your new employer will go to your pension -- no contributions will be made to your investment account.

While no new contributions will be made to your defined contribution investment account, your investment account will remain active, increasing and decreasing in value based on investment performance, until you retire or leave state employment and take distribution from the account.

In the Defined Benefit Plan, you will automatically become a member of the A-3 class of service, with the option to choose membership in the A-4 class of service within 45 days.

If you held a law enforcement or security position in the past, you will automatically return to your most recent class of service.

Similarly, if you later choose to transfer out of a law enforcement or security position, you will return to your current Hybrid Plan.

If you are considering switching to a law enforcement or security job, contact a SERS Pension Specialist at 1.800.633.5461 or ra-sersretc@pa.gov to discuss your options.

You will need to maintain two separate beneficiary forms. One with SERS for the pension portion of your benefit and one with Empower for the investment account portion of your benefit.

Law Enforcement/ Security Positions Exempt From The Defined Contribution & Hybrid Plans

Sworn Police Officers

Enforcement Officers

Wildlife Conservation Officers (Not Deputy Wildlife Conservation Officers)

Delaware River Port Authority Policemen

Park Rangers

Capitol Police Officers

SSHE Campus Police Officers

Community College Campus Police Officers

Penn State University Campus Police Officers

Police Officers at Fort Indiantown Gap

Corrections Officers

All other positions currently with age 50 or 55 retirement except members of the General Assembly

RETIREMENT BENEFIT FORFEITURE

Pennsylvania has laws in place to penalize public employees who violate the public's trust, by forfeiting the retirement benefits of employees. The Public Employee Pension Forfeiture Act 1978-140 (Act 140) applies to all SERS members who commit certain crimes in relation to their employment. Enforcement of Act 140 is mandatory. Pennsylvania courts have held that SERS has no discretion in its application. It does not matter if the crime is relatively minor compared to the value of the retirement benefits; if Act 140 is triggered, it must be applied.

The Pennsylvania Constitution and Judicial Code also contain forfeiture provisions that apply to members of the judiciary who are removed or barred from office by the Court of Judicial Discipline. Judicial forfeiture can occur even if no crime has been committed.

Retirement benefit forfeiture details are available at www.SERS.pa.gov

General Appeal Rights

1. Appeal to SERS in writing.

2. If staff denies your appeal, appeal to the Appeals Committee.

3. If your appeal is denied, appeal to the SERS Board.

APPEALS AND HEARINGS

If you feel that a SERS decision about your retirement benefit is wrong and you have been denied a right or benefit to which you feel you are entitled under the Retirement Code, you can appeal that decision.

Appeals must be in writing, and the legal process involves strict deadlines.

Once your initial appeal is received by SERS, staff will review your appeal and send you a response either granting your request or denying your request. If your request is denied, you will be given appeal rights to the SERS Appeals Committee.

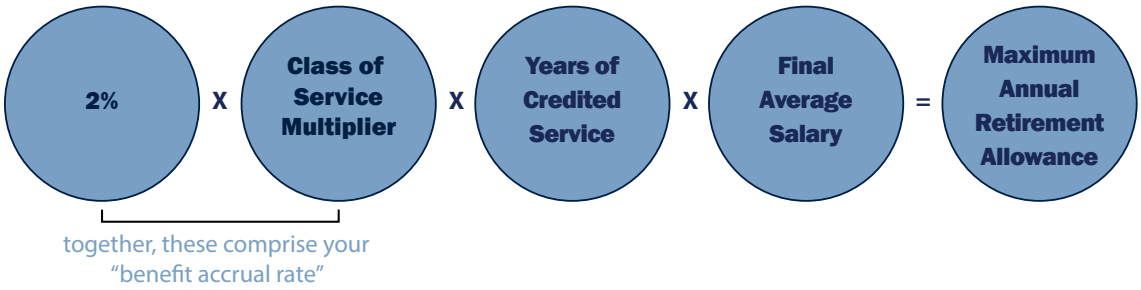
If the Appeals Committee does not rule in your favor, you have the right to appeal to the SERS Board.

Depending on the nature of your appeal, this may involve written legal arguments and an administrative hearing in Harrisburg before an independent hearing examiner.

BASIC PENSION CALCULATION

The amount of your pension is determined by a calculation set forth in the Retirement Code that takes into account your class of service multiplier, years of credited service, and final average salary. The monthly payment you will receive is not influenced by how much your employer contributes or the performance of SERS investments. It will, however, be reduced if you choose to retire before the SERS retirement age for your class of service.

The basic pension formula is:



Class of Service Multiplier

Your class of service is determined by when you entered SERS membership and the work that you do. In most cases, your class of service will be determined by when you first began contributing to a SERS retirement benefit. Your class of service multiplier x 2% equals your benefit accrual rate.

Years of Credited Service

In general, most SERS members are credited with one year of service for every 1,650 hours worked in a calendar year. If you work more than 1,650 hours, you are not credited with more than one year of service. If you work less than 1,650 hours, you are credited with the fraction of a year's credit based on the hours you worked.

Final Average Salary

Your final average salary is the highest average compensation received during five calendar years.

Long-Service Pension Supplement

If you retire with 41 or more years of credited service, you are eligible for a supplemental benefit that increases your maximum annual pension by 2% for each additional year to a maximum 110%.

Total Years of Credited Service	Percentage of Maximum Annual Pension
35-40	100%
41	102%
42	104%
43	106%
44	108%
45 +	110%

PENSION PAYMENT OPTIONS

After you meet certain vesting criteria, your SERS membership entitles you to receive a pension payment every month for as long as you live. The annual amount of the payment is determined by the basic pension formula on the prior page and any applicable early retirement reduction. **The payment is not influenced by how much your employer contributes or the performance of the SERS Fund.** It will, however, be reduced if you choose to retire before the SERS retirement age for your class of service.

You have the option to withdraw your contributions and interest at retirement in addition to receiving monthly pension payments in retirement. If you withdraw your contributions and interest, your lifetime monthly pension payments will be reduced.

When you retire, you must elect one of the following monthly payment plans.

Maximum Single Life Annuity (MSLA)

This provides the highest monthly payment for as long as you live. Payments stop when you die. Your estate (or next of kin) will be paid the portion of your monthly benefit for the number of days that you were alive during the month in which you die. If you do not withdraw your contributions and interest at retirement, the balance of that amount – minus any payments that were made to you – will be paid to your beneficiaries. If you choose this option, you cannot change it later for any reason.

Option 1

This provides you with a monthly payment that is smaller than the MSLA option for as long as you live. Payments stop when you die. If the sum of all payments SERS makes to you is less than the initial present value of your SERS benefit at the time you retired, then the difference – or "remaining present value" – will be paid to your beneficiaries. Some people find it helpful to think about this like a checking account; you start with a set amount and it is reduced by each monthly payment. Payments continue for your lifetime, even if SERS pays you the full initial present value of your benefit.

If the sum of all payments totals more than the initial present value of your SERS benefit at the time you retired, then your estate (or next of kin) will be paid the portion of your monthly benefit for the number of days that you were alive during the month in which you die. If you choose this option, you cannot change it later for any reason.

Option 2

This provides you with a monthly payment for as long as you live. Then, when you die, it pays a person of your choosing - a "survivor" - the same amount that you were receiving each month for as long as he or she lives.

If you select this option, your monthly payment will be smaller than the MSLA option because we calculate the amount that would be necessary to pay specified payments for both of your expected lifetimes, taking into account both of your ages at the time of your retirement. If you choose this option, you cannot change it later unless your survivor dies, or you get married or divorced.

PENSION PAYMENT OPTIONS

Option 3

This provides you with a monthly payment for as long as you live. Then, when you die, it pays a person of your choosing - a "survivor" - half of the amount that you were receiving for each month for as long as he or she lives.

If you select this option, your monthly payment will be smaller than the MSLA option because we calculate the amount that would be necessary to pay specified payments for both of your expected lifetimes, taking into account both of your ages at the time of your retirement. If you choose this option, you cannot change it later unless your survivor dies, or you get married or divorced.

Option 4

This provides you with an option to craft your own monthly payment scenario, provided that it is certified to be actuarially equivalent to your MSLA and is approved by SERS prior to your retirement. If you are interested in this option, you are strongly encouraged to contact SERS at least 45 to 90 days prior to your desired retirement date.

This option is most commonly used to provide a survivor benefit that is different from 100% or 50% of your monthly pension amount and in those cases when a member must share his or her monthly pension with a former spouse in accordance with a SERS-approved Qualified Domestic Relations Order.

SPECIAL NOTES:

- All option selections require proof of age documentation.
- An option selection is final and binding, and may not be changed for any reason except as stated above.
- No matter which benefit payment option you select, you may withdraw your contributions and interest in a lump sum or in up to four installments. Your monthly annuity will be reduced actuarially to reflect that withdrawal.
- Whether your pre-divorce designation of your spouse as a beneficiary would be effective under the Pennsylvania Probate, Estates, and Fiduciaries Code will depend on the date of your designation and your state of residency at the time of death.

PENSION PAYMENT OPTIONS

Monthly Pension Comparison -- Class A-5 and A-6

(Approximated)

Assumptions:

- You are retiring at age 67 and your designated survivor is age 67.
- You have 25 years of credited state service (Class A-5).
- Your final average salary is $50,000.
- Your contributions and interest total $50,400.

Option	Monthly Pension for Life		Death Benefit		Survivor Benefit
	Class A-5	Class A-6	Class A-5	Class A-6	
MSLA (Maximum Single Life Annuity)	$1302	$1042	Balance of your contributions and interest		None
Option 1 Initial Value at Retirement: A-5 Member - $185,148 A-6 Member - $146,518	$1,156	$925	Balance of the Initial Value at Retirement Less Annuity Payments		None
Option 2	$1,070	$856	$1,070 monthly	$856 monthly	Yes
Option 3	$1,175	$940	$588 monthly	$470 monthly	Yes
Option 4	(You decide to withdraw your accumulated deductions at retirement)				
Adjusted MSLA	$844	$583	None	None	None
Adjusted Option 1 Initial Value at Retirement: A-5 Member - $118,647 A-6 Member - $82,017	$749	$518	Balance of the Initial Value at Retirement Less Annuity Payments		None
Adjusted Option 2	$693	$479	$693 monthly	$479 monthly	Yes
Adjusted Option 3	$761	$526	$381 monthly	$263 monthly	Yes

NOTE: **The above estimated benefit amounts are intended for illustrative purposes only.**

ELIGIBILITY FOR A SERS DISABILITY RETIREMENT BENEFIT

If you are unable to perform your job because of injury or illness, you may be eligible to receive a SERS disability retirement benefit, which is different from other state and federal disability programs.

Call 1.800.633.5461 for more information before leaving your job. If you leave state service before applying, you will no longer be eligible to apply for disability retirement.

SERS retains independent medical examiners to review disability retirement applications and make recommendations to the State Employees' Retirement Board. When the recommendation is to grant a disability retirement, the medical examiners also recommend that the board deem the disability as either permanent or temporary.

To be eligible, you must apply for a SERS disability retirement benefit before you terminate employment.

Make Sure You Qualify

To be eligible to receive a SERS disability retirement benefit, you must:

- Be a member of SERS defined benefit plan
- Be an active employee, on paid leave, or on leave without pay when you apply
- Have at least five years of credited service (with some differences associated with certain types of military leave)

If you meet these eligibility requirements, you can apply for a SERS disability retirement benefit. Meeting the eligibility criteria above; however, does not guarantee that you will be granted a SERS disability retirement benefit. An independent medical examiner will review your medical documentation to determine if you are physically or mentally incapable of performing the duties of the position for which you are regularly employed.

DOMESTIC RELATIONS AND SUPPORT ORDERS

A court may issue an order requiring payment from your SERS retirement benefit for spousal and child support, or for equitable distribution of marital assets.

While courts may order payment when you are actively contributing toward your pension, payments cannot be made from your pension until it enters a "pay status" -- in other words, payments cannot be made until you retire or die.

Court-ordered payments from your pension will stop if you return to work for a SERS-participating employer or you forfeit your pension as the result of a criminal conviction of certain crimes.

The portion of a SERS defined contribution investment account earned during marriage is marital property. A SERS-approved DRO will specify how much of your investment account (a portion or all) will be subject to the equitable distribution of marital assets and the distribution must occur after approval of the DRO.

Domestic Relations Orders (DRO)

The portion of a SERS retirement benefit earned during marriage also is marital property. A SERS-approved DRO will specify how much of your benefit (a portion or all) will be subject to the equitable distribution of marital assets.

Requirements contained in federal pension statutes such as the Employee Retirement Income Security Act (ERISA) and the Retirement Equity Act of 1984 regarding qualified domestic relations orders (QDROs) and spousal consent **do not apply to governmental pension plans like SERS**.

Unlike ERISA plans, this means that in the absence of an appropriate court order, you may take any action regarding your SERS benefit without providing notice to or requesting consent from any person, including your spouse.

Guidelines for drafting a SERS-approved DRO and a Sample DRO are provided on our website to use in drafting your DRO. All DROs must be approved by SERS for compliance with the Retirement Code before they become effective. As such, we encourage you or your attorney to send a draft of your DRO to SERS Chief Counsel's Office for review before filing with the court:

SERS Chief Counsel's Office
30 North 3rd Street, Suite 150
Harrisburg PA 17101-1716
fax: 717.787.5751

DOMESTIC RELATIONS AND SUPPORT ORDERS

Support Orders

The court's order must include your name, Social Security number, amount of attachment, Pennsylvania Automated Child Support Enforcement System case number (when support is for a minor), judge's signature, and the date. The court must send order to:

SERS-Benefits Determination Division
30 North 3rd Street, Suite 150
Harrisburg PA 17101-1716
fax: 717.237.0393

Once an order is received by SERS, we send payments directly to the Pennsylvania State Collection and Disbursement Unit, which then forwards the payment to the appropriate county Domestic Relations Office or Family Court Division, or to the address stated on the support order.

A support order cannot exceed 50% of your pension, unless support payments are more than 12 weeks past due at the time the order is filed by the court.

The cost to administer a support order is a $50 one-time fee, which is deducted from your gross monthly pension payment.

LEAVING STATE EMPLOYMENT

You will have a number of decisions to make regarding your SERS pension when you leave state employment.

Generally, as a member of the hybrid retirement plan, you are eligible for monthly pension payments, or "vested" in the pension system, after earning 10 eligibility points (in most cases, after working 10 years) or at age 67 after earning three eligibility points.

You can request a distribution from the investment portion of your benefit independent from any action you take regarding the pension portion of your benefit. The contributions you make toward your investment account are immediately vested, or eligible for withdrawal, when you leave state service; while the contributions your employer makes toward your investment account are vested after you earn three eligibility points, generally after you work three years.

What happens to my contributions if I leave state employment before I'm eligible for my pension?

You can request a refund of your contributions and interest.

Your Pension Options

If You Are Eligible for Monthly Pension Payments
You have two choices regarding your pension:

1. **You can apply for your pension after you terminate employment.** If you haven't reached SERS retirement age, your benefit will be reduced for early retirement. The further you are from SERS retirement age, the greater the reduction.

2. **You can delay applying for your pension until you are older.** Your contributions will remain in the SERS fund and continue to accrue interest until you choose to apply for your pension. You will not earn service credits unless you return to work for a SERS-participating employer; however, your pension will increase in value as you approach SERS retirement age. Your SERS retirement age is 67.

If You Aren't Eligible for Monthly Pension Payments
You have two choices regarding your pension:

1. **You can choose to do nothing.** Your contributions remain in the SERS fund and they will stop earning interest 90 days after your employment termination date. In addition, your total service and eligibility points credited toward both of your retirement benefits will remain on your SERS record and will count toward vesting should you ever return to work for a SERS-participating employer.

LEAVING STATE EMPLOYMENT

2. **You can request a refund** of the contributions you made toward your benefit and the interest earned on those contributions while you were working for a SERS-participating employer by calling 1.800.633.5461. A refund removes all service credit and eligibility points from your SERS record. If you return to work for a SERS-participating employer, you will begin accruing service credit from zero. You will have the ability to reinstate this time while an active contributing member.

.

Returning From Involuntary Termination

If you appeal your involuntary termination and you are reinstated, you must return any pension payments and investment account contributions that you withdrew between your termination and reinstatement dates. If you receive a back-pay award, the amount you need to return to SERS will be deducted. If you do not receive a back-pay award or your award isn't large enough to cover the amount you need to return, SERS will send you an invoice. You will be permitted to pay that invoice in a lump sum or by payroll deductions.

DEATH BENEFIT - PENSION PORTION

As a SERS member, one of your most important responsibilities is to ensure that you always have an up-to-date beneficiary form on file with us. We are legally bound to honor the last properly filed beneficiary form in our possession. Unlike other retirement plans, your SERS pension does not include any spousal rights. If we have no form on file when you die, we will pay any owed death benefit to your estate and it will likely be subject to estate taxes. If the form on file with us is out-of-date, we may be forced to pay someone whom you would no longer want to receive your death benefit.

If You Die While an Active Employee

If you are not yet eligible for a monthly pension (in other words, you aren't "vested" in the system) when you die, we will refund the contributions you made toward your pension with 4% interest to your beneficiary or estate.

If you are eligible for a monthly pension ("vested" in the system) when you die, the death benefit is calculated as if you actually retired and selected benefit payment option 1 the day before you died. That amount will be paid to your beneficiary or estate. If the amount is more than $10,000, your beneficiary can choose to receive the payment in a lump sum or monthly installments.

If you Die While Receiving a SERS Pension

The death benefit amount, if any, will depend on the choices you make when you retired including the pension payment option you choose.

You will need to maintain two up-to-date beneficiary forms – one with SERS for the pension portion of your benefit and one with Empower for the investment account portion of your benefit.

DEATH BENEFIT - INVESTMENT PORTION

One of your most important responsibilities regarding your SERS defined contribution plan is to ensure that you always have an up-to-date defined contribution plan beneficiary designation form on file with Empower.

Empower is required by law to pay your death benefit according to your most recently filed, valid Beneficiary Nomination, even if that payment is made to someone whom you would no longer want to receive your death benefit.

Unlike private employer retirement plans, your SERS retirement plan does not include any special spousal rights. Also, if Empower has no form on file when you die, they will pay any owed death benefit to your estate and it will likely be subject to estate taxes.

If You Die While an Active Employee

Empower will pay the amount you were entitled to at the time of death to your beneficiary or estate.

- If you were vested, that payment will include the contributions that you and your employer made toward your benefit, and any investment gains or losses.

- If you were not vested that payment will include the contributions that you made toward your benefit, and any investment gains.

You will need to maintain two up-to-date beneficiary forms – one with SERS for the pension portion of your benefit and one with Empower for the investment account portion of your benefit.

TAXES

In general, SERS payments and investment account disbursements are subject to federal income tax but exempt from Pennsylvania state and local income tax for PA residents. If you live outside Pennsylvania, you'll need to be aware of the tax laws where you live. As you plan for retirement, we recommend that you work with a qualified tax or financial advisor.

Taxes and The Pension Portion of Your Benefit

When you withdraw contributions that you made toward your pension and the interest you earned on those contributions in a lump sum – either when you leave state service before becoming eligible for monthly pension payments or when you retire and select your monthly payment option – federal tax laws requires that we withhold 20% of the taxable portion of your withdrawal for federal income tax.

You also have the option to roll over all or part of the taxable portion of your withdrawal into a traditional IRA or other eligible plan, like the commonwealth's Deferred Compensation Plan. In most cases, a rollover will allow you to delay paying federal income tax on the money until you withdraw it from the IRA or other qualified plan, when your tax liability may be lower. If you choose a rollover into a Roth IRA; however, you will pay the tax liability when you roll the money into the Roth option, which could push you into a higher tax bracket. Talk with a qualified tax advisor for information specific to your situation.

Even if you do not choose a direct rollover (plan to plan), you may be able to recover the 20% we are required to withhold for federal income tax when you file your federal income tax return if you roll the money into a qualified plan within 60 days after you receive it.

Each January we will send you an *IRS Form 1099-R* detailing the payments you received from your SERS pension in the prior calendar year for use as you file your annual income tax forms. You could receive more than one *Form 1099-R* in any tax year depending on your age that year, the benefit payment option you choose when you retire and if you receive payments from another person's SERS pension as well as your own.

If you have general questions about taxes on your SERS pension, contact a SERS Pension Specialist at 1.800.633.5461. For more specific questions relating to death benefits and estates, contact the IRS or a professional tax advisor.

Special Considerations If You Leave State Service or Retire Before Age 55

If you retire or leave state service prior to the calendar year in which you turn age 55 and you do not roll the taxable portion of that pension withdrawal into an IRA or qualified plan, it will be subject to an additional 10% federal excise tax penalty. That penalty may also apply if you roll the taxable portion of your withdrawal into a qualified plan but then withdraw the money from that plan ***before*** you turn age 59½.

TAXES

Required Beginning Age

The IRS requires that retirement plan account holders take a minimum distribution from their accounts when the account holder reaches a specific age. As a result, if you no longer work for a SERS-participating employer, you must apply for your pension by April 1 of the calendar year after you reach the IRS-mandated "required beginning age" The required beginning age is determined by your birth date:

Birth Date	Required Beginning Age
Before 7/1/1949	70.5
7/1/1949 – 12/31/1950	72
1/1/1951 – 12/31/1959	73
On or after 1/1/1960	75

Taxes and The Investment Portion of Your Benefit

Ordinary income tax may apply to each distribution from your investment account. In addition, if you take a distribution from your investment account before you turn age 59½, the distribution may be subject to a 10% federal tax penalty.

In most cases, you have the option to keep your money in your investment account, or to roll over all or part of the account into a traditional IRA or other eligible plan, like the Deferred Compensation Plan. By doing so, you delay receiving distribution of the account and the tax liability on the distribution until you are older, when your tax liability may generally be lower.

Empower will send you an IRS 1099-R tax document detailing the payments you received from your SERS Defined Contribution Plan investment account in the prior calendar year, to use for filing your annual income tax forms. You could receive more than one 1099-R in any tax year.

As you plan for retirement, we recommend that you work with a qualified tax and or financial advisor.

If you have general questions about taxes on your investment account, contact an Empower representative at 1.866.737.7457. For more specific questions relating to death benefits and estates, contact the IRS or a professional tax advisor.

Age 70½ or Older? - Investment Portion

If you reach age 70½ or older in the year you retire, federal tax law requires that you take a minimum distribution at retirement. The minimum distribution is calculated according to IRS tax tables and is not eligible for rollover to a qualified plan.

RETURN TO SERVICE

Generally speaking, a "return to service" occurs after a break of at least two weeks.

Generally, your pension payments stop when you return to work for a SERS-participating employer.

Returns From Retirement

Generally, if you retire and then return to work for a SERS-participating employer, your monthly pension payments stop. The same is true if you choose to work for a public school district in Pennsylvania, as a member of the Public School Employees' Retirement System (PSERS), and you choose to combine your SERS and PSERS service for one state pension payment by electing "multiple service," -- your pension payments stop.

The amount of your pension when you retire again will depend largely on how long you work after your return. In rare circumstances, the monthly pension amount you receive when you retire in the future **could be less than** the payments you received during your earlier retirement. **Contact a** SERS Pension Specialist **before committing to return to work for a SERS-participating employer, to discuss what impact that could have on your pension.**

If you return to employment for less than three years, you will be entitled to the sum of:

- The remaining value of your pension benefit at the time of your return to work, based on the payment option you elected when you first retired, the monthly pension payments you received before your return, and your age;
- A separately calculated amount based on your class of service and years of service during your second term of employment

If you return to employment for more than three years, you will be entitled to the better of either:

- A pension calculated as described above
- A pension calculated combining both periods of employment. In this case, your future pension will be reduced by the total payments you received while retired, plus interest.

Returns From Disability Retirement

If you return to state service after receiving SERS disability retirement payments, your SERS member record is restored as if you had not received those payments. When you again retire, your pension will be based on your total service -- the service you earned both before and after your disability retirement.

RETURN TO SERVICE

Returns After Requesting A Refund

If you decide to no longer work for a SERS-participating employer, request a refund of the contributions you made toward your pension, and then later return to work for a SERS-participating employer, in most cases, you will return to the SERS Hybrid Plan.

As a member of the Hybrid Plan, you will have the option to purchase your prior service so that it counts toward your future pension.

Limited Exceptions

There are three cases in which you may return to work for a SERS-participating employer while continuing to receive your pension payments. You will not, however, accrue additional service credit or increase your **monthly pension during your work as:**

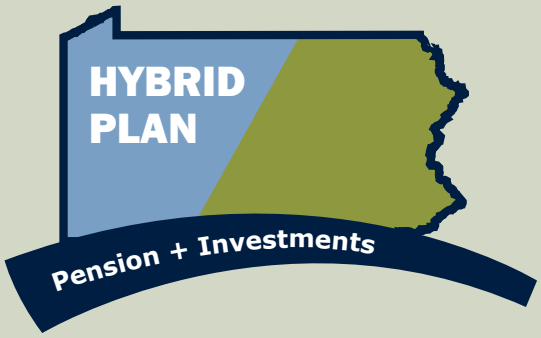
- **An emergency rehire** – If an emergency increases an employer's workload causing serious impairment of service to the public, you may return to work for up to 95 days per calendar year. You must be over 60 or have been separated for one year. Employers under the Governor's jurisdiction must obtain the Governor's approval for your return.

- **An Independent contractor** – Any person compensated on a fee basis pursuant to an approved contract.

- **A member of an independent or departmental board or commission,** if you have been:

    - Retired for at least six months, appointed to an independent board or commission by the Governor and approved by the Senate, and will earn less than $25,000 annually

    - Retired for more than a year, asked to serve on a departmental administrative or advisory board or commission and will be compensated on a per diem basis for not more than 150 days per calendar year



IT'S NEVER TOO EARLY TO PREPARE FOR RETIREMENT:

RETIREMENT PLANNING

Along with Social Security and private investment earnings, your SERS retirement plan is one of your major sources of income in retirement. As a member of the SERS Hybrid Plan, you contribute to one of the largest, most stable pension funds in the United States. While you can count on the stability of the fund, your SERS membership is not responsibility-free. Your biggest responsibilities are keeping yourself informed about your benefit and notifying us and Empower, the third-party administrator of the investment portion of your retirement benefit, of changes in your life that affect your retirement benefit.

Responsibilities while actively employed:

- Examine your annual statement carefully each spring, to ensure that your personal information is accurate, including your years of credited service, Social Security number, and birthdate. The Retirement Code requires us to correct errors upon discovery of inaccurate information.

- Keep your home address current with your employer. SERS mails important information, including your annual statement, to the address in your member record and that address comes from your employer each time they send us personnel information related to your SERS retirement benefit.

- Keep your contact information current with Empower. They will send you quarterly investment statements and other information according to the contact information you provide in your online account.

- Stay informed by reading the materials SERS and Empower sends to you.

- Keep your beneficiary information up to date in both your SERS member record and your Empower account.

Things to consider when preparing to retire:

- As you prepare for retirement, please be aware that different aspects of your retirement planning are addressed by you, your SERS pension specialist, Empower, and your employer's HR office.

- You can apply for your pension and take a distribution from your investment account at the same time, or take one and delay the other.

RETIREMENT PLANNING

- Retiring at the end of a year could push any lump-sum withdrawals from your pension and any leave payouts to early in the following year. That may be beneficial from a tax perspective. Receiving retirement money in the same year that you have a full year of wages could move you into a higher tax bracket. Keep in mind that very often, these payments can be rolled into the commonwealth's Deferred Compensation Plan or other qualified plan.

- Retiring at the end of a pay period streamlines the payment process.

- Contact a SERS pension specialist at 1.800.633.5461 several months in advance of your anticipated retirement date to request a pension estimate and to discuss your pension payment options. Submit your request to purchase state or non-state service credit at least six months prior to your retirement date.

- Contact an Empower representative at 1.866.737.7457 to discuss your investment account options or log into your online account for resources on retiring.

- Contact your HR office for information on the amount and timing of any leave payout you may be eligible for, life insurance conversion, to arrange for reimbursement to the commonwealth for any overdrawn leave or agency debts, and final pay transactions. If under the Governor's Jurisdiction contact the HR Service Center by Calling 1.866.377.2672.

- Consider rolling any leave payout into the commonwealth's Deferred Compensation Plan, commonly referred to as "deferred comp," to defer your tax liability on it until a later date when you may be in a lower tax bracket. The current IRS deferral limit and any applicable catch-up limits may affect the amount you can defer.

    - If you already contribute to deferred comp, contact your HR office to learn if you are eligible for a leave payout and the amount. Then submit a *Sick and Annual Leave Deduction Agreement* form, available in your online Empower account, at least 45 days before your last day on the job. (See the *Leave Payout Contribution* page on SERS' website for more information.)

    - If you do not already contribute to deferred comp, you must first enroll in the plan, which will require additional processing time. Once enrolled, follow the steps above. The entire process could take up to two months.

RETIREMENT PLANNING

Pension matters to address with your SERS pension specialist

- Review your pension estimate letter thoroughly and contact your pension specialist to schedule a counseling appointment. Be sure you understand your pension payment options.

- If you choose to withdraw the contributions you made toward your pension and the interest on those contributions, and you wish to transfer that money directly into another qualified plan for tax purposes, provide a SERS Authorization for Defined Benefit Plan Direct Rollover form to your financial institution (to roll to an IRA) or to Empower (to roll to deferred comp). Your financial institution or Empower will complete Part 2 of the form and it can be returned to your SERS Regional Office.

- Schedule an appointment with your pension specialist to sign your pension application and other forms approximately 30-60 days prior to your date of retirement.

- Review all your options prior to your pension counseling session. If desired, consult your accountant, lawyer, or financial advisor. Make sure you prepare a list of your questions. Provide birth-date documentation, and if you are selecting an option 2, option 3, or option 4 joint and survivor pension payment option, also provide birth-date documentation for your designated survivor.

- If you elect health insurance coverage through the Retired Employees Health Program (REHP) administered by the PEBTF, and you and/or your eligible dependent are Medicare eligible, you will need to provide a copy of each person's Medicare card.

- When you attend your pension counseling session, whether by phone, through a Teams meeting or in-person, you are welcome to include your spouse, domestic partner, financial planner, or any other trusted person. Keep in mind the pension payment option you'd like to choose and make sure you ask questions about anything you do not understand.

- If you are confident that you understand the pension payment options and application process, and are ready to make your decision, your pension specialist will assist you in completing your pension application package. If you want time to review the information your pension specialist provides or seek advice from others, you may schedule another appointment to sign your documents.

RETIREMENT PLANNING

Investment account matters to address with Empower

- Contact an Empower representative at 1.866.737.7457 to discuss your investment account options.

- If you choose to roll over all or a portion of your investment account into another eligible plan, such as the Deferred Compensation plan, contact an Empower representative to discuss your options and how to access the appropriate forms.

After You Have Signed Your Pension Application

After you have signed your pension application, SERS will send an *Agency Notification Letter* to your employer. You are responsible for submitting a letter of resignation to your employer.

Your last pay for employment ("after-the-fact" pay, if applicable) is normally received two weeks ***after*** your last day of employment.

Your first monthly pension payment is sent approximately eight weeks after your last day of employment. Overdrawn leave and agency debts will have a significantly adverse impact on this time frame. In addition, having a domestic relations order (DRO) as part of a divorce settlement or "multiple service" (meaning you combined your public school service with the Public School Employees' Retirement System, and your SERS service for one combined monthly payment), can significantly delay receipt of your first pension payment.

Your Responsibilities

- Contact SERS and Empower in a timely manner, typically at least two weeks prior to retirement.

- Give your employer written notice in accordance with its policies.

- Seek professional tax or financial advice.

- Contact the Social Security Administration regarding benefits (including Medicare), if applicable at 1.800.772.1213 or www.ssa.gov.

- Contact Empower regarding the deferred comp payout, if applicable, at 1.866.737.7457 or www.sers.pa.gov.

SERS REGIONAL OFFICES

SERS has seven regional offices throughout the Commonwealth of Pennsylvania, assisting members with their SERS retirement benefit. Our centers serve active members based on their work locations and retirees based on their home addresses. Centers are accessible to people with disabilities and are open from 8 a.m. to 4:30 p.m., Monday through Friday, excluding state holidays. If you don't live in Pennsylvania, please call 1.800.633.5461.

Region 1: Seneca

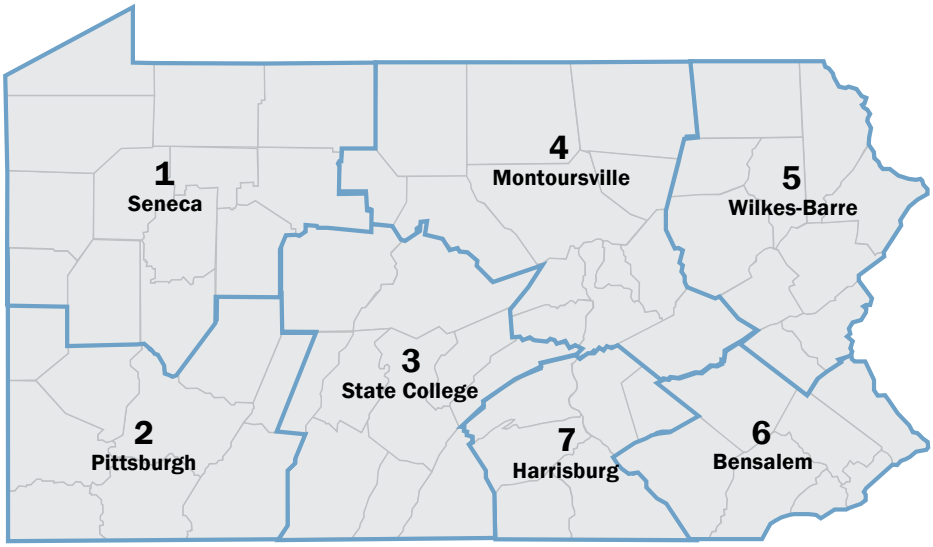
3224 State Route 257
Duawl Professional Plaza
P.O. Box 1561
Seneca, PA 16346

Counties Served:
Armstrong, Butler, Clarion, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Venango, Warren

Region 2: Pittsburgh

Foster Plaza 6,
Suite 320
681 Andersen Drive
Pittsburgh, PA 15220

Counties Served:
Allegheny, Beaver, Cambria (Western), Fayette, Greene, Indiana, Somerset, Washington, Westmoreland



All SERS pension counseling matters are confidential. If you contact your SERS pension specialist, please provide your contact information on all communications. Email is not secure. Please do not email sensitive personal or financial information, including your Social Security number. SERS will only send you general information through email.

Individual pension counseling is available to any member by emailing ra-SERSretc@pa.gov orcalling 1.800.633.5461 to schedule an appointment.

SERS PENSION COUNSELING SERVICES

Services to Active Members:

- Calculate personalized pension, disability retirement benefit, and vesting estimates.
- Provide one-on-one counseling for members of the defined benefit pension plan who are considering retirement.
- Provide you with an annual statement detailing the contributions you made and the service credit you earned for the year, and during your SERS membership. This statement also provides you with pension estimates calculated for several payment options.
- Provide pension benefit counseling to your beneficiaries or survivor annuitant after your death.
- Conduct group information sessions, including question and answer sessions and pre-retirement seminars.
- Provide resource speakers for various agency or association informational sessions.
- Provide estimates and counsel members on the purchase of creditable state and non-state service.
- Provide information on your eligibility for retiree health benefits if you are retiring from an AEHP/REHP participating agency.

Your HR office is responsible for providing information on your leave payments, life insurance conversion, and final pay transactions.

Region 3: State College

1019 Ghaner Road,
Suite 203
Port Matilda, PA 16870

Counties Served:
Bedford, Blair, Cambria (Eastern), Centre, Clearfield, Franklin, Fulton, Huntingdon, Juniata, Mifflin

Region 4: Montoursville

93 Pierce Lane
Montoursville, PA 17754

Counties Served:
Bradford, Cameron, Clinton, Columbia, Lycoming, Montour, Northumberland, Potter, Schuylkill, Snyder, Sullivan, Tioga, Union

SERS REGIONAL OFFICES

Region 5: Wilkes-Barre

15 Public Square,
Suite 410
Wilkes-Barre, PA 18701

Counties Served:
Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, Susquehanna, Wayne, Wyoming

Region 6: Bensalem

3331 Street Road
Two Greenwood Square,
Suite 420
Bensalem, PA 19020

Counties Served:
Berks, Bucks, Chester, Delaware, Lancaster, Montgomery, Philadelphia

Region 7: Harrisburg

30 North 3rd Street,
Suite 319
Harrisburg, PA 17101

Counties Served:
Adams, Cumberland, Dauphin, Lebanon, Perry, York

Services to Retired Members:

- Provide direct deposit forms, federal income tax withholding forms, and change of address forms upon request; and provide information and assistance to complete the forms.
- Provide beneficiary forms and assistance in the completion of forms.
- Provide you with your annual Personal Statement of Pension Payments detailing the pension payment option you selected at retirement, the gross annuity payments you received, and the amount you instructed SERS to withhold for taxes, if any, that year.
- Take information and process Retired Employees Health Program (REHP) dependent coverage changes. Inquiries regarding your state retiree health insurance coverage and claims should be directed to the PEBTF at 1.800.522.7279.
- Provide resource speakers for group or association informational seminars.
- Receive and process notifications of death and serve as a contact for beneficiaries and survivors.
- Provide option change counseling for members when their designated survivor predeceases them, the retiree obtains a divorce, or when the retiree marries after the date of their retirement.

DEFERRED COMPENSATION PLAN

Employees for most SERS-participating employers also have access to the Deferred Compensation Plan, which is a voluntary supplemental investment plan with tax deferred benefits.

"Deferred comp" makes it easy to set aside more money for retirement by allowing you to have some of your pay automatically deducted on a pre-tax basis and invested.

You select the amount you want to invest, from as little as $5 per pay to no more than the IRS limit for the calendar year. ("Catch-up" provisions allow some participants to contribute more in certain situations. See the Deferred Compensation Plan Features And Highlights for the current IRS limit and catch-up options.)

You also decide which of the available funds to invest in -- from conservative to aggressive.

You can easily change the amount you withhold from your pay and your investments whenever you choose.

Deferred comp accounts have certain tax advantages as outlined in Section 457(b) of the IRS tax code. The SERS board has contracted with Empower as the third-party administrator of this investment plan.

Empower representatives offer individual and group counseling sessions over the phone, through Teams meetings, and in person at work locations around the state.

To enroll in the plan, learn more about it, or to access free educational videos on finance, investment and retirement, visit www.SERS.pa.gov or call 1.866.737.7457

Leave Payout Contributions

According to the IRS, leave payouts are eligible for deferral into deferred comp accounts. Current IRS limits affect the actual amount you can defer.

If you do not yet participate in deferred comp, there may be time to establish a new account; however, there are a number of HR, payroll, and retirement system deadlines involved that could take up to two months. (You need to have at least one payroll deferral into your new deferred comp account in order to roll over your leave payout.)

Your first step is to contact your HR office to learn if you are eligible for a leave payout and the amount. Then, contact a deferred comp representative at 1.866.737.7457 to discuss the rollover process. See page 30 for additional information.

DEFERRED COMPENSATION PLAN

Investment Options

Average Annual Performance as of 12/31/2025

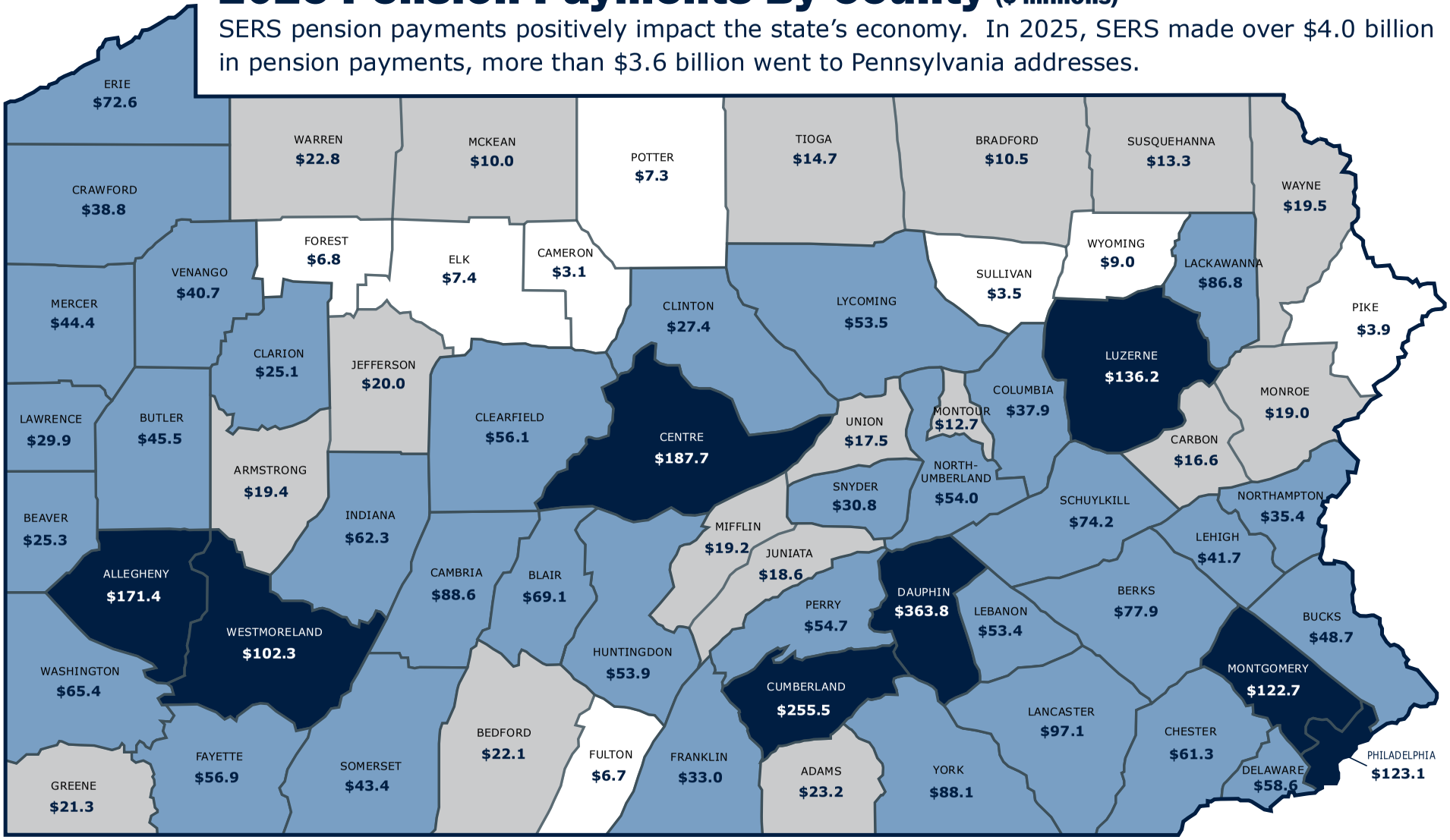
Fund Name	Inception Date	1 Yr	3 Yrs	5 Yrs	10 Yrs
Stable Value Fund	12-2003	3.03%	2.87%	2.40%	2.30%
Post Retirement Date Fund	08-2005	12.43	10.20	4.09	5.97
2030 Retirement Date Fund	08-2005	14.20	12.50	5.92	7.92
2035 Retirement Date Fund	07-2006	16.00	14.37	7.25	8.98
2040 Retirement Date Fund	08-2005	17.62	16.16	8.48	9.94
2045 Retirement Date Fund	07-2006	19.23	17.85	9.61	10.75
2050 Retirement Date Fund	09-2007	20.89	19.21	10.46	11.28
2055 Retirement Date Fund	05-2010	21.72	19.81	10.81	11.46
2060 Retirement Date Fund	11-2014	21.86	19.86	10.83	11.47
2065 Retirement Date Fund	09-2019	21.85	19.89	10.83	NA
2070 Retirement Date Fund	09-2024	21.85	NA	NA	NA
U.S. Large Company Stock Index Fund	12-1994	17.86	22.99	14.42	14.82
U.S. Small/Mid Company Stock Index Fund	08-1998	11.60	17.89	6.45	11.15
Global Non-U.S. Stock Index Fund	03-2009	32.90	17.64	8.12	8.73
U.S. Bond Index Fund	02-1995	7.33	4.67	-0.36	2.00
Short-Term Investment Fund	10-1988	4.23	4.81	3.20	2.26
Charles Schwab Self-Directed Brokerage	NA	NA	NA	NA	NA

Past performance cannot guarantee comparable future results. An investment in the program is not insured or guaranteed by the U.S. government and is not an obligation of, or insured by, any bank or the FDIC and is subject to risk disclosed in the program materials, including the possible loss of principal. For additional information on the investment options, including fees and expenses, contact Empower. Read all program materials before joining the program. For specific program requirements and definitions, please see the Plan Document.

Investment options could change between publication dates of this handbook. Please see the Deferred Compensation Plan Investment Information page on the SERS website for the current list.

2025 Pension Payments By County ($ millions)

SERS pension payments positively impact the state's economy. In 2025, SERS made over $4.0 billion in pension payments, more than $3.6 billion went to Pennsylvania addresses.



$0 - $9.9 million | $10 - $24.9 million | $25 - $99.9 million | $100 million +

Domestic Out of State $404.2 million

Out of Country $2.2 million

pennsylvania
STATE EMPLOYEES' RETIREMENT SYSTEM

SERS.pa.gov | 1.800.633.5461

01.23.2026

1.800.633.5461 | www.SERS.pa.gov

Pennsylvania State Employees' Retirement System | 30 North 3rd Street, Suite 150 | Harrisburg PA 17101

pennsylvania
STATE EMPLOYEES' RETIREMENT SYSTEM

06.01.2026